

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Budget Estimates 2008-09

2 June 2008

Question: **BR-22**
Topic: **Passenger Movement Charge, Passport and Visa Costs**
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Senator BUSHBY—That is okay. Since the budget we have had a number of media reports about the passenger movement charges and the passport and visa costs. For example, there have been a number of comments from industry people. The Australian Tourism Export Council hit out at the decisions to raise departure tax and increase visa-processing fees. We have already discussed the high Australian dollar and you mentioned some of the additional challenges facing our tourism operators when they are looking at overseas markets. The managing director of the Australian Tourism Export Council stated that at a time when the tourism industry is struggling to cope with the high Australian dollar and rising business costs, such as fuel, food and labour, this has made our job of opening up new export markets for Australia much harder. Is this a fair way of approaching tourism, using it as a way of raising funds, whether it is for additional security risks or not? Given the challenge we are already facing, is this something that is beneficial to the tourism industry?

Mr Buckley—It is not for me to comment on government policy.

Senator BUSHBY—Perhaps the Minister might like to comment on this?

Senator Sherry—I am happy to take it on notice. It is for the Minister for Tourism, Mr Martin Ferguson, to comment.

Answer:

The Passenger Movement Charge (PMC) is intended to recover the costs of border agency processing of international passengers at international airports and maritime ports, and the costs of issuing short term visas. The PMC increase is intended to partially offset the cost of a range of aviation security initiatives. It is important that the Government provides high quality and efficient border agency and security services at international airports and appropriate that international travellers contribute to these costs. The PMC has not been increased since 2001; meanwhile the costs of providing safety and security arrangements have increased enormously in recent years.

Aviation security is important to protect travellers and Australia's reputation as a safe and secure destination for overseas tourists. Travellers benefit directly from measures which make their travel safer and travellers are willing to pay for safer travel. These measures are funded on a user-pays basis, that is, travellers who benefit from aviation security are being asked to contribute to the cost.

Visa and passport matters are respectively the responsibilities of the Department of Immigration and Citizenship and the Department of Foreign Affairs and Trade. The Government announced an increase in the visa application charge for tourist visas from \$75 to \$100 per application overseas, and from \$215 to \$240 for all related visa extensions in Australia. The Government will also increase visa application charges for temporary resident visas from \$190 to \$250, and residents return visas from \$120 to \$240. The measure also includes an increase to the fee for certificate of evidence of residency from \$70 to \$100. The Government increased passport fees by 4 per cent. The standard adult passport fee increased from \$200 to \$208, and the passport fee for children and seniors increased from \$100 to \$104.

The changes will better reflect visa processing costs, and more closely align Australian visa application charges with other countries while still maintaining Australia's competitiveness in tourism and skilled migration.